

# NEWS & INFORMATION



From the American Academy of Dermatology and its National Program for Dermatology

## Dermatology Profile: Meet the Administrative Officers



**John M. Shaw, M.D.,  
AAD Secretary-Treasurer**

The year 1974 marked two milestones in the life of John M. Shaw, M.D., a Tacoma, Wash., dermatologist. He turned 50 years old and took over the administrative reins of the American Academy of Dermatology.

John did not come to his position without experience. He served, as is the custom in the Academy, as Assistant Secretary-Treasurer for five years. Prior to that he was Secretary-Treasurer (then President) of both the Pacific Northwest Dermatologic Society and the Pacific Dermatological Association.

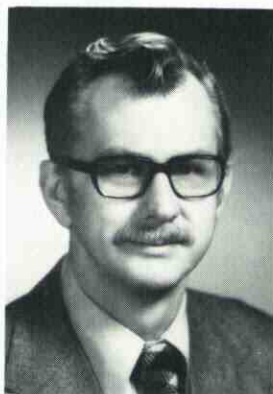
Dr. Shaw's roots are in the state of Washington. He was born in Spokane and was educated in Seattle and Walla Walla as well as in his home town. It was an uncle—Joseph M. Shaw, a Seattle dermatologist—who was the inspiration for John's decision to specialize in the diagnosis and treatment of skin diseases.

John Shaw met and married Jean DeTar while he was a medical student at the University of Michigan in Ann Arbor. After receiving his degree at Michigan, John stayed on at the University Hospital for his internship and residency. His graduate training was interrupted for a two-year stint in the military service (Dr. Shaw served as a LtJG in the U. S. Navy Reserve on Guam).

After his graduate training, John Shaw went back to Washington to establish his medical practice. There he and Jean have raised a family of six children—two girls and four boys. In addition to his private practice, Dr. Shaw holds two academic positions: Clinical Associate Professor of Dermatology at the University of Washington and Associate Clinical Professor of Dermatology at the University of Oregon. Since the conclusion of the

last Academy meeting, he has devoted half of his time to the administrative affairs of the AAD.

Despite the heavy work load, the AAD Secretary-Treasurer finds time for recreation (skiing and backpacking top the list) and for hobbies (book collecting, the history of medicine, and operating a hand printing shop).



**Walter G. Larsen,  
M.D., AAD Assistant  
Secretary-Treasurer**

The Assistant Secretary-Treasurer of the American Academy of Dermatology — Walter G. Larsen, M.D., of Portland, Ore.—at the age of 39 has already had two careers. At one point in his professional life, he was Walter G. Larsen, Registered

Pharmacist, having graduated from the School of Pharmacy at the University of California in San Francisco.

Medicine, and dermatology, quickly supplanted pharmacy as his lifetime pursuit, however. He entered medical school at the University of Southern California in Los Angeles and added M.D. to his name in 1960. This was followed by an internship at Santa Fe Hospital in Los Angeles and a residency at the University of Oregon Medical School Hospital in Portland.

Dr. Larsen is the son of a Navy Captain and, like other children of military career officers, saw a lot of the United States while growing up. He was born in New York City, then went with his parents to Hawaii and San Francisco. The Portland dermatologist chose a different branch of the service, the U. S. Army, for his own military service. He was a Captain in the Army Medical Corp for one and one-half years in 1962-1963. He was stationed at Walter Reed Army Institute of Research in the dermatology department. Travel was in Walt Larsen's blood, though. His professional career in-



cludes a year as a Senior Scientific Investigator (1969-1970) at the University of Nijmegen in The Netherlands.

He currently is Associate Clinical Professor of Dermatology at the University of Oregon and President of the Oregon Dermatological Association.

Walt and his wife, Sylvi, were married during his internship training in Los Angeles. The resulting two offspring—girls aged eight and twelve—are the lights of their life. "If you want to stay young," says Dr. Larsen, "try keeping up with two preteen girls." The family enjoys skiing, tennis, and backpacking. Dr. Larsen's latest challenge is learning how to race a small sailboat.

### Fifth Stelwagon Prize To Be Awarded

Twelve dermatological residents will compete in December for the Fifth Henry W. Stelwagon Prize presented by the College of Physicians of Philadelphia to "the resident who shall be adjudged to give the most outstanding paper" at the annual meeting of the American Academy of Dermatology.

J. Graham Smith, M.D., Augusta, Ga., Chairman of the annual Residents' Forum, said that 11 different medical institutions will be represented in the competition. Participating in the 1974 Forum, scheduled for 10:30 AM, Monday, December 9, will be the following: Paul I. Dantzig, M.D., Albany Medical College; J. A. Krebs, M.D., Cleveland Clinic; Thomas L. Ray, M.D., University of Oregon Medical School; Alan N. Moshell, M.D., New York University Medical Center; Mark Lichtenberg, M.D., Columbia University; Robert A. Greenberg, M.D., University of Miami; Steven H. Tomson, M.D., University of Cincinnati; Dan K. Chalker, M.D., Medical College of Georgia; Lawrence L. Bushkell, M.D., University of Minnesota; Norman Levine, M.D., Albert Einstein College of Medicine; Robert L. Dimond, M.D., University of Oregon Medical School; and Gail T. Jacoby, M.D., University of California, San Francisco.

The Stelwagon Prize stems from an endowment bequeathed to the College of Physicians of Philadelphia by Henry Weightman Stelwagon (1853-1919), the first Professor of Dermatology at Jefferson Medical College.

### Dermatology and the Relative Value Study

(This special report was prepared by the National Program for Dermatology Task Force on Economics. Harry L. Arnold, Jr., M.D. and Bernard A. Wankser, M.D. are Co-Chairmen.)

A Relative Value Study is a study of medical and surgical fees designed to establish their values relative to one another, or, more specifically, their "unit" value, where one unit is a return visit. Thus, it might be determined that an appendectomy should be worth 20 times the charge for a return office visit.

Relative Value Studies in California, Michigan,

and Hawaii have provided regionally valid guidelines for setting dermatological (and other) fees, and the California 1969 study has been put to some use by dermatologists in Texas, Oklahoma, Kansas, Colorado, New Mexico, Utah, and Nevada. Even in these areas, however, it is used largely as a "standby resource" rather than as a fee schedule.

Coverage by third party payors—insurance carriers and the Federal Government—has become so prevalent, and will be so much more prevalent in the future, that the method such payors use to determine what they will pay is of paramount importance in any consideration of the setting of fees. They define a *customary* charge as the charge made at least 50% of the time by a given doctor for a given service. They define a *prevailing* charge as a charge below the 75% percentile of all charges made for a given service by physicians of comparable training and experience, not necessarily in any geographic area. And they define a *reasonable* charge as one which is both of these. They will pay a reasonable charge—reasonable by their definition. They do not use a fee schedule as such, relative-value or any kind; and as they accumulate more data, it becomes increasingly unlikely that they ever will. Moreover, they are showing increasing tendencies to call a fee *reasonable* only if it is the *prevailing* fee—regardless of the physician's *customary* charge.

It is important to note that this relative value schedule—for once accomplished, it is in fact a schedule, not just a study, for the individual physician's use—is *not a fee schedule* for the third party payors; they will still be guided by the data they have accumulated on all fees paid in the community they serve.

The effect of regional costs of living on the appropriateness and reasonableness of fees makes a national schedule of fees impractical. Such a schedule would probably be illegal anyway; charges of conspiracy to fix fees would be in order. A national schedule of *relative* values probably could be agreed upon, however, and it might be a useful guide. It might also be a useful weapon in the hands of the Federal Government, to provide us with a fixed fee schedule by setting an arbitrary conversion factor and thus converting it into a fee schedule.

The whole problem is extremely complex. Regional differences are one parameter which helps to make it so. Another is the rapid changes that are going on. It seems inadvisable at the present time to attempt to solve any of these problems at the national level; they are regional problems and up to now it seems best to solve them regionally. The task of making a national relative value study out of the California and Michigan studies would be immensely laborious—and more so, it would seem, than its results would warrant.

It is the recommendation of the NPD Task Force on Economics that for the present no further attempt be made to provide dermatologists with a national relative fee schedule.